

REMARKS

This responds to the Final Office Action mailed on August 6, 2008.

Claims 18, 21, 26, 29, 35, and 44 are amended.

Claims 1-17, 23, 31, 40, and 49 have previously been canceled.

Claims 18-22, 24-30, 32-39, 41-48, and 50-52 are pending in this application.

§103 Rejection of the Claims

GROUND OF FIRST REJECTION

Claims 18, 26, 35 and 44 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Woolston (U.S. Patent No. 5,845,265; hereinafter, "Woolston") in view of Brown (U.S. Patent No. 5,794,219; hereinafter, "Brown") and Fraser et al. (U.S. Patent No. 5,329,589; hereinafter, "Fraser")

ARGUMENT

A) Applicable Law under 35 U.S.C. §103(a)

The applicable law recites that obviousness is a question of law based on underlying factual inquiries. The factual inquiries enunciated by the Supreme Court are: determining the scope and content of the prior art; resolving the level of ordinary skill in the pertinent art; and ascertaining the differences between the claimed invention and the prior art. *Graham v. John Deere Co.*, 383 U.S. 1 (1966).

An applicant is entitled to a patent unless "the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains." *KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1734, 82 USPQ2d 1385, 1391 (2007).

The Federal Circuit has stated that "[r]ejections on obviousness cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." *In re Kahn*, 441 F.3d 977,

988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006). For the reasons provided below, the Applicants respectfully submit that the cited references do not support the Office Action's § 103 rejection.

B) Overview of the System Disclosed in Woolston

Woolston describes a network of consignment nodes and a posting terminal to present goods (see Woolston, column 2, lines 19-22). A consignment node is described as having four modes of operation including an auction mode. The Auction mode allows a participant to log in to the consignment node to partake in an electronic auction (column 3, lines 13-15).

C) Overview of the System Disclosed in Brown

In Brown's "Summary of the Invention," Brown recites that "the invention presents a method of conducting an on-line auction that permits bid pooling during a bidding session of the auction. The auction is conducted over a computer network that includes a central computer, a number of remote computers, and communication lines connecting the remote computers to the central computer. In the preferred embodiment, the central computer is a world-wide web server and the communication lines are Internet lines that in connect bidders at their remote computers to the world-wide web server" (see Brown, column 3, lines 44-54).

Brown also recites in the "Summary of the Invention" that "the method also includes the step of creating a bidder account for each bidder in an account creation computer networked to the central computer." Each bidder account includes a bidder name, a bidder identification number, and a financial account number, such as a bidder's credit card or savings account number. In this embodiment, each bid received in the central computer also includes the bidder name and bidder identification number of the person contributing the bid. At the close of a bidding session, each bid contributed to the total bid of the winning group is matched by bidder identification number to a corresponding bidder account. The corresponding bidder account is then charged the bid amount contributed, facilitating collection of the total bid of the winning group (column 8, lines 22).

D) Overview of the System Disclosed in Fraser

Fraser's disclosure includes "a method of employing a communications system to mediate different types of transactions involving entities reachable by the communications system" (see Fraser, column 4, lines 45-48). Fraser describes using the communications system to "mediate a transaction such as an auction" (column 14, lines 14-16).

E) Amended claims 18, 26, 35 and 44 overcome the Examiner's § 103 rejection

The features of amended claim 26 (with amendments indicated) include the following (inter alia):

validating a characteristic of the bid during and prior to a close of the auction of the first lot of the plurality of lots, the characteristic of the bid being a form of bid information, and the validating of the characteristic includes ensuring that the bid information accords with a specific form of the bid information that is defined by the bid format.

The cited portion of Brown states as follows:

Upon receiving the new account information, account company 26 verifies bidder name 44, financial account number 46, and financial account of bidder 38. After successful verification, account creation computer 28 generates bidder identification number 50 for bidder 38. Referring to FIG. 2, account creation computer 28 then generates new account confirmation message 34 on mail server E2 and sends message 34 to mail client E3 of remote computer 30. Bidder 38 then receives new account confirmation message 34 on mail client E3, step 122. Bidder 38 confirms his new account information by pressing button 58 of new account confirmation message 34, step 23.

(Brown, column 7, lines 19-31)

In the Response to Arguments section of the Office Action, the Examiner states that "Brown at col.7, lines 19-31 and col. 7, line 50 through col. 8, line 3 discloses that a bid entry form (having four fields with bidder name, bidder identification number bid amount and bid designation) is completed and forwarded to a central computer."

Column 7, lines 19-31 of Brown does not relate to the bid entry form as misstated by the Examiner (see FIG. 6, below). Rather, column 7, lines 19-31 of Brown relates to the account creation form 32 of FIG. 3, below. Column 7, lines 19-31 of

FIG. 6

FIG. 3

Brown relates to verification of account information as part of an account creation process. Note that the various operations in the cited portion of Brown are performed by an “account creation computer 28,” which generates a “new account confirmation

message.” The account information that is verified relates to a bidder (i.e., a user of the system) **but is clearly not the “bid” or the “bid information” required by amended claim 26.** The verification of account creation information is simply very different from **“ensuring that the bid information accords with a specific form of the bid information that is defined by the bid format.”** Accordingly, column 7, lines 19-31 of Brown at least fails to disclose the above limitations required by amended claim 26.

In its rejection of claims 21, 29, 38 and 47 the Office Action refers to FIGS. 5, 6 and 9 of Brown. FIG. 5 shows a bidder database 14 with various database fields for bid information and other information. At column 7, lines 45-59, Brown describes that bid information is what is entered into Brown’s bid entry form 76 of FIG. 6 (line 58).

FIG. 9 is a flowchart that relates to operations of the bid entry form 76 of FIG. 6 and the bidder database 14 fields of FIG. 5. FIG. 9 is reproduced herein and used to distinguish Brown from amended claim 26. Attention may be directed to decision block 132, which asks whether an account associated with a bid is valid.

The description of block 132 in Brown is as follows:

*Central computer 18 receives bid entry form 76 entered from remote computer 30. Step 131. Central computer 18 then queries bidder database to verify that bidder name and bidder identification number 50 received on bid entry form 76 **match** an existing registration record 42. The query results indicate if bidder 38 has a valid bidder account 40 step 132. (Emphasis added).*

(Brown, column 7, lines 60-66)

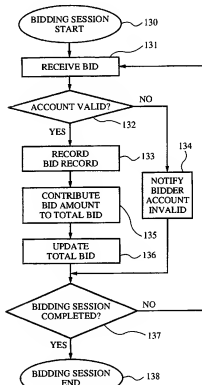


FIG. 9

In contrast to “the validating of the characteristic includes ensuring that the bid information accords with a **specific form of the bid information that is defined by the bid format**,” Brown merely describes verifying a “**match**” between bidder name/bidder identification number and “an existing registration record,” (Column 7,

lines 62-64). Verifying such a match is at least different from “**ensuring that the bid information accords with a specific form of the bid information that is defined by the bid format**” because the extent of the so-called match in Brown merely consists of querying a database looking for a **match** between submitted information and an existing registration record. Further, the Applicants believe that Brown’s match is not described in Brown as relating to a **specific form of the bid information that is defined by the bid format.**”

In support of the assertion that Brown describes the claimed “validating the characteristic of the bid,” the Office Action states in the Response to Argument section that “[a]n entry of a bidder name in the bidder identification number field and an entry of the bidder identification

number in the bidder name field will be rejected by the system. The Applicants understand the Examiner's point that Brown may "notify bidder account invalid" (see FIG. 9, block 134 above) in the Office's hypothetical scenarios. However, Brown does not consider (inter alia) amended claim 26's "specific form" of the submitted information, "that is defined by the bid format."

For the Office to read those limitations into Brown would clearly be to incorporate limitations based on hindsight. As stated by the Court of Appeals for the Federal Circuit, "[a] factfinder should be aware of the distortion caused by hindsight bias and must be cautious of arguments reliant upon ex post reasoning." (KSR Int'l Co. v. Teleflex Inc., 127 S. Ct. 1727, 1742 (2007) (citing *Graham v. John Deere Co of Kansas City*, 383, U.S. 1, 36)).

For at least the reasons explained above, Brown at least fails to disclose the claimed, "examining and validating a characteristic of the bid during and prior to a close of the auction, the characteristic of the bid being a form of bid information, and the validating of the characteristic includes ensuring that the bid information accords with a specific form of the bid information that is defined by the bid format."

The cited portion of Fraser includes the following:

Customers could make bids. The communications system would validate the bids and provide them to the auctioneer, who would know only the amounts, and not the identities of the bidders. The communications system could then indicate to each participant the current highest bid and solicit new bids until a single highest bid remained. In some embodiments, the communications system itself might play the role of auctioneer. In such an embodiment, the transaction manager would keep track of the current highest bid, would inform the participants of that bid, and when bidding had ceased, would complete the transaction with the highest bidder.

(Fraser, column 14, lines 16-28)

The Examiner states that the Examiner interprets Fraser's validation as ensuring that the bid is properly formatted, all necessary data is present, and the data values entered look credible. The Applicants respectfully request that the Examiner provide some reasoning or support for attributing the above interpretation of Fraser's validating.

The Applicants respectfully submit that Fraser's mere mention of the word "validate" fails to teach or suggest "the validating of the characteristic includes ensuring that the bid information accords with a specific form of the bid information that is defined by the bid format." There is no description of what Fraser's contemplates being required to validate a bid. The fact that a "communications system" validates the bid perhaps indicates that the validation relates to a successful communication of the bid. Certainly, there are different types of validation and Fraser has not disclosed the validation of the format of the bid, as required by claim 26. To attribute the above features to Fraser is clearly impermissible hindsight.

For at least the reasons explained above, Fraser at least fails to teach or suggest "the validating of the characteristic includes ensuring that the bid information accords with a specific form of the bid information that is defined by the bid format."

In sum, the Applicants respectfully submit that claims 18, 26, 35 and 44 overcome the Office Action's § 103 rejections because Brown does not describe all the limitations of amended claim 26. Claims 19-22 and 24-25; 27-30 and 32-34; 36-39 and 41-43; and 45-48 and 50-52 respectively depend from claim 18, 26, 35 and 44 and overcome the rejections for at least the same reasons. Thus, the Applicants respectfully request that the § 103 rejection be reconsidered and withdrawn.

CONCLUSION

Applicant respectfully submits that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone Applicant's representative at (408) 278-4042 to facilitate prosecution of this application.

If necessary, please charge any additional fees or credit overpayment to Deposit Account No. 19-0743.

Respectfully submitted,

SCHWEGMAN, LUNDBERG & WOESSNER, P.A.
P.O. Box 2938
Minneapolis, MN 55402
(408) 278-4042

Date 2/6/2009

By Nathan P. Elder
Nathan P. Elder
Reg. No. 55,150

CERTIFICATE UNDER 37 CFR 1.8: The undersigned hereby certifies that this correspondence is being filed using the USPTO's electronic filing system EFS-Web, and is addressed to: Mail Stop RCE, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on February 6, 2009.

CHRIS BARTZ
Name

CRW
Signature